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**Introduced by Senator Denham**

January 27, 2005

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An act to amend Section 19605.73, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 124, as introduced, Denham. Horse racing: marketing.

Existing law permits racing associations, fairs, and the organization responsible for contracting with racing associations and fairs with respect to the conduct of racing meetings, to form a private, statewide marketing organization to market and promote thoroughbred and fair horse racing. Existing law requires the marketing organization to annually submit to the California Horse Racing Board a statewide marketing and promotion plan for thoroughbred and fair horse racing. Existing law also specifies funds to be distributed to the marketing organization for the promotion of thoroughbred and fair horse racing, and for workers' compensation, as specified. Existing law repeals these provisions on January 1, 2006.

This bill would extend the operation of these provisions until January 1, 2008, when they would be repealed.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 19605.73 of the Business and
- 2 Professions Code is amended to read:
- 3 19605.73. (a) Racing associations, fairs, and the organization
- 4 responsible for contracting with racing associations and fairs
- 5 with respect to the conduct of racing meetings, may form a
- 6 private, statewide marketing organization to market and promote

1 thoroughbred and fair horse racing, and to obtain, provide, or  
2 defray the cost of workers' compensation coverage for stable  
3 employees and jockeys of thoroughbred trainers. The  
4 organization shall consist of the following members: two  
5 members, one from the northern zone and one from the combined  
6 central and southern zones, appointed by the thoroughbred  
7 racetracks; two members, one from the northern zone and one  
8 from the combined central and southern zones, appointed by the  
9 owners' organization responsible for contracting with  
10 associations and fairs with respect to the conduct of racing  
11 meetings; and two members, one from the northern zone and one  
12 from the combined central and southern zones, appointed by the  
13 organization representing racing and satellite fairs.

14 (b) The marketing organization formed pursuant to  
15 subdivision (a) shall annually submit to the board a statewide  
16 marketing and promotion plan and a thoroughbred trainers'  
17 workers' compensation defrayal plan for thoroughbred and fair  
18 horse racing that encompasses all geographical zones in the state,  
19 and which includes the manner in which funds were expended in  
20 the implementation of the plan for the previous calendar year.  
21 The plan shall be implemented as determined by the  
22 organization. The organization shall receive input from all  
23 interested industry participants and may utilize outside  
24 consultants in developing the annual marketing plan.

25 (c) In addition to the distributions specified in subdivisions (a)  
26 and (b) of Section 19605.7, and in Sections 19605.71 and  
27 19605.72, for thoroughbred and fair meetings only, from the  
28 amount that would normally be available for commissions and  
29 purses, an amount equal to 0.4 percent of the total amount  
30 handled by each satellite wagering facility shall be distributed to  
31 the statewide marketing organization formed pursuant to  
32 subdivision (a) for the promotion of thoroughbred and fair horse  
33 racing and to defray the cost of workers' compensation coverage  
34 for stable employees and jockeys of thoroughbred trainers. Not  
35 more than one-sixth of the total amount available annually  
36 pursuant to this subdivision shall be used to defray the cost of  
37 workers' compensation insurance. Any of the promotion funds  
38 that are not expended in the year in which they are collected may  
39 be expended in the following year. If promotion funds expended  
40 in any one year exceed the amount collected for that year, the

1 funds expended in the following year shall be reduced by the  
2 excess amount.

3 (d) This section shall remain in effect only until January 1,  
4 ~~2006~~ 2008, and, as of that date, is repealed, unless a later enacted  
5 statute that is enacted before January 1, ~~2006~~ 2008, deletes or  
6 extends that date. Any moneys held by the organization shall, in  
7 the event this section is repealed, be distributed to the  
8 organization formed pursuant to Section 19608.2, for purposes of  
9 that section.

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